

Washington, DC -- Congresswoman Linda Sánchez, Chairwoman of the Judiciary Committee's Subcommittee on Commercial and Administrative Law (CAL), today held an oversight hearing to address the adequacy of trustee compensation in Chapter 7 bankruptcy cases.

"Trustees should be justly compensated for providing a service that adds to the value of life -- often giving the average person a fresh start," said Congresswoman Sánchez. "Despite the time consuming and important nature of these cases, trustees are paid only \$60 for their services -- a fee that has not been increased in over 14 years."

While trustees are also entitled under the Code to recover commissions on the assets they distribute to creditors, they receive commissions in less than ten percent of the cases they administer. When the bankruptcy filing fee is waived because the debtor cannot afford it, the trustee does not even receive the \$60 fee.

The CAL Subcommittee heard testimony and specific proposals on whether trustee compensation should be increased and what the consequences will be for the bankruptcy system if it is not. Earlier this year, the Senate Committee on the Judiciary favorably reported a bill that provides for a \$60 increase in the per-case trustee fee.

"Thousands of skillful women and men make what is often an emotion-filled and daunting process run smoothly in Chapter 7 bankruptcy cases, and are indispensable to the integrity of the bankruptcy system," said Congresswoman Sánchez.

Witnesses present at the hearing were Robert Furr, the current President of the National Association of Bankruptcy Trustees and himself a bankruptcy trustee; Eugene Crane, a bankruptcy trustee and the former President of the National Association of Bankruptcy Trustees; Margaret Dee McGarity, a judge on the U.S. Bankruptcy Court for the Eastern District of Wisconsin; and Jack Williams, Professor of Law at Georgia State University College of Law and Scholar-in-Residence at the American Bankruptcy Institute."